

State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Linda M. Hodgdon, Commissioner

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Monthly Revenue Summary

	(for month)		
	<u>FY 13</u>	<u>Plan</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 202.5	\$ 172.8	\$ 29.7
Highway	\$ 20.1	\$ 21.6	\$ (1.5)
Fish & Game	\$ 0.7	\$ 0.6	\$ 0.1

Current Month

General & Education Funds	<u>FY 13</u> <u>Actuals</u>	<u>FY 13</u> <u>Plan</u>	<u>Actual vs.</u> <u>Plan</u>	<u>%</u> <u>Inc/(Dec)</u>
Business Profits Tax	\$ 50.9	\$ 50.7	\$ 0.2	0.4%
Business Enterprise Tax	35.9	30.7	5.2	16.9%
Subtotal Business Taxes	86.8	81.4	5.4	6.6%
Meals & Rentals Tax	16.9	16.2	0.7	4.3%
Tobacco Tax	16.7	18.2	(1.5)	-8.2%
Transfer from Liquor Commission	16.0	15.7	0.3	1.9%
Interest & Dividends Tax	3.9	2.8	1.1	39.3%
Insurance Tax	1.4	1.0	0.4	40.0%
Communications Tax	5.7	6.5	(0.8)	-12.3%
Real Estate Transfer Tax	8.5	6.0	2.5	41.7%
Court Fines & Fees	0.9	1.0	(0.1)	-10.0%
Securities Revenue	10.9	0.5	10.4	2080.0%
Utility Consumption Tax	0.4	0.5	(0.1)	-20.0%
Board & Care Revenue	1.4	1.9	(0.5)	-26.3%
Beer Tax	1.0	1.0	-	0.0%
Other	4.3	5.3	(1.0)	-18.9%
Transfer from Lottery Commission	6.7	5.5	1.2	21.8%
Transfer from Racing & Charitable Gaming	0.2	0.3	(0.1)	-33.3%
Tobacco Settlement	-	-	-	-
Utility Property Tax	6.7	8.7	(2.0)	-23.0%
State Property Tax	-	-	-	-
Subtotal Traditional Taxes & Transfers	188.4	172.5	15.9	9.2%
Net Medicaid Enhancement Revenue	14.0	-	14.0	100.0%
Recoveries	0.1	0.3	(0.2)	-66.7%
Total Receipts	\$ 202.5	\$ 172.8	\$ 29.7	17.2%

All funds reported on a cash basis, dollars in millions.

Analysis

Unrestricted revenue of the General and Education Funds for December totaled \$202.5 million, which was above the plan by \$29.7 million and above prior year by \$23.6 million. These favorable results are largely attributable to the timing of receipts from both Medicaid Enhancement Tax (MET) and Securities revenue, and partially related to favorable variances in other taxes. Year to date (YTD) receipts totaled \$863.5 million, which was below plan by \$13.1 million (1.5%) but above prior year by \$53.3 million (6.6%).

Business Tax collections for December totaled \$86.8 million, which was above plan by \$5.4 million (6.6%) and above prior year by \$6.2 million (7.7%). YTD receipts of \$240.3 million were above plan by \$6.2 million (2.6%) and prior year by \$8.6 million (3.7%). According to the Dept. of Revenue (DRA), as compared to December of last year, estimated payments were up 4%, however reported refunds had the larger impact, below prior year by 75% (see chart on page 2.) DRA stated that they are experiencing some backlog in processing refunds this December and approximately \$3 million were known and unprocessed at the end of the month.

Net Meals and Rentals Tax (M&R) revenue for December was \$16.9 million, \$0.7 million (4.3%) above plan, bringing YTD net revenue to \$8.1 million (6.2%) above plan and \$5.9 million (4.4%) above prior year.

Revenue from the **Tobacco Tax** was \$1.5 million (8.2%) below plan for the month, bringing YTD collections to \$108.4 million, \$6.1 million (5.3%) below plan and \$3.8 million (3.4%) below prior year. DRA reported stamp sales for December 12% lower than December of FY12 and a decline of 6.3% on a comparative 7 month basis (see chart pg. 4). A \$6 million increase in collections of bonded sales over last December, plus the effects of other tobacco product sales partially offset the decline in stamp sales for the month. The estimated YTD impact of the rate reduction, effective July 1, 2011 is approximately \$6.0 million.

The **State Liquor Commission** transferred \$3 million more than plan for the month and is behind YTD plan by \$2.9 million (3.8%). The Commission's December transfer was \$2.2 million (15.9%) higher than last year, and is ahead of its YTD transfers in FY12 by \$4.0 million (5.7%), as a result of aggressive directed marketing.

Interest & Dividends Tax (I&D) receipts for December were \$1.1 million (39.3%) above both plan and prior year. YTD I&D revenue is tracking \$3.7 million (19.2%) above plan and \$6.0 million (35.3%) above prior year. According to DRA, the increased revenue received in December may be the result of payments planned for January that were received earlier in December. On a YTD basis refunds issued are approximately \$2.7 million less than the prior year and estimated payments are higher.

Communications taxes continue to be below plan, \$.8 million below for December and \$6.9 million below YTD, which according to DRA relates to the effect of tax law changes effective June 21, 2012.

The **Real Estate Transfer Tax** came in above plan for December by \$2.5 million, or 41.7%, and above prior year by \$2.4 million, or 39.3%. On a YTD basis, collections have totaled \$50.5 million, above plan by \$6.4 million (14.5%) and above prior year by \$5.7 million or 12.7% (see chart on page 2.) According to DRA, the number of transactions reported by counties for the month of November (December cash receipts), increased by 23% over last year, and July through November transactions in FY13 are 18.2% higher than the average of the same periods for the past 2 years.

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RET Analysis (In Millions)												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY13	8.5	8.2	8.9	8.4	8.0	8.5						
FY12	7.6	9.8	7.7	6.6	7.0	6.1	8.0	5.4	4.3	5.7	6.5	7.9
FY11	9.6	6.9	6.6	6.7	6.6	7.3	7.7	5.1	5.1	5.6	8.4	6.4
Mo over Mo	0.9	(1.6)	1.2	1.8	1.0	2.4						
% Mo over Mo	12%	-16%	16%	27%	14%	39%						
YTD change over Prior Year	0.9	(0.7)	0.5	2.3	3.3	5.7						
% YTD change	12%	-4%	2%	7%	9%	13%						

Business Tax Refund Analysis												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY13	1.1	1.5	1.5	1.8	2.2	0.9						
FY12	1.2	1.6	3.2	1.8	5.5	3.8	4.0	1.3	1.5	1.2	3.5	4.1
FY11	3.4	0.9	3.5	5.2	6.1	2.5	15.0	3.5	3.3	2.1	2.7	2.2
Mo over Mo change	(0.1)	(0.1)	(1.7)	-	(3.3)	(2.9)						
YTD change	(0.1)	(0.2)	(1.9)	(1.9)	(5.2)	(8.1)						

M&R Analysis						
	December			YTD		
	FY 13	FY 12	Diff	FY 13	FY 12	Diff
Gross Collections	18.1	17.7	0.4	145.7	139.9	5.8
Bldg Aid Debt Svc Transfer	(1.2)	(1.2)	-	(7.2)	(7.3)	0.1
Net Revenue	16.9	16.5	0.4	138.5	132.6	5.9

General & Education Funds Comparison to FY 12

General & Education Funds	Monthly			Year-to-Date			
	FY 13 Actuals	FY 12 Actuals	Inc/(Dec)	FY 13 Actuals	FY 12 Actuals	Inc/(Dec)	% Inc/(Dec)
Business Profits Tax	\$ 50.9	\$ 48.9	\$ 2.0	\$ 141.1	\$ 140.5	\$ 0.6	0.4%
Business Enterprise Tax	35.9	31.7	4.2	99.2	91.2	8.0	8.8%
Subtotal Business Taxes	86.8	80.6	6.2	240.3	231.7	8.6	3.7%
Meals & Rentals Tax	16.9	16.5	0.4	138.5	132.6	5.9	4.4%
Tobacco Tax	16.7	17.9	(1.2)	108.4	112.2	(3.8)	-3.4%
Transfer from Liquor Commission	16.0	13.8	2.2	73.8	69.8	4.0	5.7%
Interest & Dividends Tax	3.9	2.8	1.1	23.0	17.0	6.0	35.3%
Insurance Tax	1.4	0.9	0.5	8.7	6.9	1.8	26.1%
Communications Tax	5.7	6.3	(0.6)	33.7	39.2	(5.5)	-14.0%
Real Estate Transfer Tax	8.5	6.1	2.4	50.5	44.8	5.7	12.7%
Court Fines & Fees	0.9	0.9	(0.0)	6.6	6.5	0.1	1.5%
Securities Revenue	10.9	0.3	10.6	12.9	2.6	10.3	396.2%
Utility Consumption Tax	0.4	0.5	(0.1)	3.0	3.0	-	0.0%
Board & Care Revenue	1.4	2.2	(0.8)	13.2	10.5	2.7	25.7%
Beer Tax	1.0	0.9	0.1	7.1	7.0	0.1	1.4%
Other	4.3	5.2	(0.9)	24.8	24.5	0.3	1.2%
Transfer from Lottery Commission	6.7	4.5	2.2	31.2	25.1	6.1	24.3%
Transfer from Racing & Charitable Gaming	0.2	0.3	(0.1)	1.2	1.3	(0.1)	-7.7%
Tobacco Settlement	-	-	-	-	-	-	-
Utility Property Tax	6.7	9.9	(3.2)	14.2	17.4	(3.2)	-18.4%
State Property Tax	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	188.4	169.6	18.8	791.1	752.1	39.0	5.2%
Net Medicaid Enhancement Rev	14.0	9.2	4.8	70.8	55.9	14.9	26.7%
Recoveries	0.1	0.1	-	1.6	2.2	(0.6)	-27.3%
Total Receipts	\$ 202.5	\$ 178.9	\$ 23.6	\$ 863.5	\$ 810.2	\$ 53.3	6.6%

All funds reported on a cash basis, dollars in millions.

General and Education Funds

Year-to-Date Comparison to Plan

General & Education Funds	General			Education			Total			% Inc/(Dec)
	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	Actual	Plan	Actual vs. Plan	
Business Profits Tax	\$ 116.3	\$ 120.1	\$ (3.8)	\$ 24.8	\$ 25.6	\$ (0.8)	\$ 141.1	\$ 145.7	\$ (4.6)	-3.2%
Business Enterprise Tax	33.8	29.5	4.3	65.4	58.9	6.5	99.2	88.4	10.8	12.2%
Subtotal Business Taxes	150.1	149.6	0.5	90.2	84.5	5.7	240.3	234.1	6.2	2.6%
Meals & Rentals Tax	134.0	126.2	7.8	4.5	4.2	0.3	138.5	130.4	8.1	6.2%
Tobacco Tax	68.3	62.7	5.6	40.1	51.8	(11.7)	108.4	114.5	(6.1)	-5.3%
Transfer from Liquor Commission	73.8	76.7	(2.9)	-	-	-	73.8	76.7	(2.9)	-3.8%
Interest & Dividends Tax	23.0	19.3	3.7	-	-	-	23.0	19.3	3.7	19.2%
Insurance Tax	8.7	7.1	1.6	-	-	-	8.7	7.1	1.6	22.5%
Communications Tax	33.7	40.6	(6.9)	-	-	-	33.7	40.6	(6.9)	-17.0%
Real Estate Transfer Tax	33.7	29.5	4.2	16.8	14.6	2.2	50.5	44.1	6.4	14.5%
Court Fines & Fees	6.6	6.6	-	-	-	-	6.6	6.6	-	0.0%
Securities Revenue	12.9	3.0	9.9	-	-	-	12.9	3.0	9.9	330.0%
Utility Consumption Tax	3.0	3.0	-	-	-	-	3.0	3.0	-	0.0%
Board & Care Revenue	13.2	10.4	2.8	-	-	-	13.2	10.4	2.8	26.9%
Beer Tax	7.1	7.3	(0.2)	-	-	-	7.1	7.3	(0.2)	-2.7%
Other	24.8	25.9	(1.1)	-	-	-	24.8	25.9	(1.1)	-4.2%
Transfer from Lottery Commission	-	-	-	31.2	29.5	1.7	31.2	29.5	1.7	5.8%
Transfer from Racing & Charitable Gaming	-	-	-	1.2	1.7	(0.5)	1.2	1.7	(0.5)	-29.4%
Tobacco Settlement	-	-	-	-	-	-	-	-	-	-
Utility Property Tax	-	-	-	14.2	15.4	(1.2)	14.2	15.4	(1.2)	-7.8%
State Property Tax	-	-	-	-	-	-	-	-	-	-
Subtotal Traditional Taxes & Transfers	592.9	567.9	25.0	198.2	201.7	(3.5)	791.1	769.6	21.5	2.8%
Net Medicaid Enhancement Rev	70.8	104.8	(34.0)	-	-	-	70.8	104.8	(34.0)	-32.4%
Recoveries	1.6	2.2	(0.6)	-	-	-	1.6	2.2	(0.6)	-27.3%
Total Receipts	\$ 665.3	\$ 674.9	\$ (9.6)	\$ 198.2	\$ 201.7	\$ (3.5)	\$ 863.5	\$ 876.6	\$ (13.1)	-1.5%

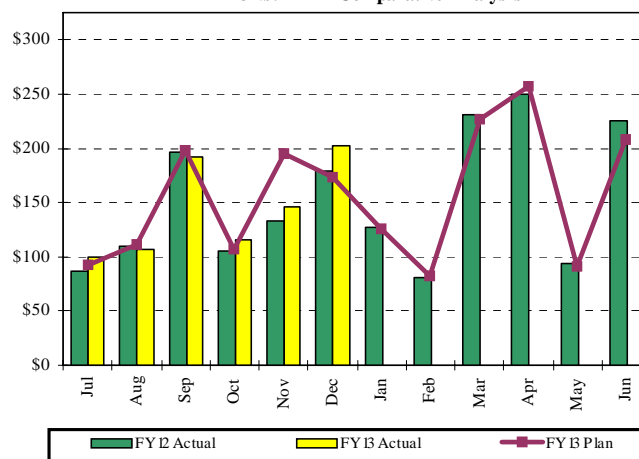
* The above amounts do not reflect \$11.9 million of Medicaid Enhancement Tax collected year-to-date, and \$1.0 million of Interest & Dividends revenue delayed due to system implementation issues, which were both attributable to FY 12 and not included in the FY 13 plan.

**Education Trust Fund
Statement of Activity - FY 2013
July 1, 2012 to December 31, 2012**

Description	Amount
Beginning Surplus (Deficit) - unaudited	\$ -
Unrestricted Revenue - See above	198.2
Expenditures	
Education Grants & Adm Costs	(240.8)
Ending Surplus (Deficit) - unaudited	\$ (42.6)

Fiscal 2013 Adequate Education Grant payments of \$578.7 million are due 20% September 1, 20% November 1, 30% January 1 and 30% April 1. Municipalities receive an additional \$363.1 million of grants through local retention of Statewide Property Tax collections. The FY 2013 budget anticipated a deficit of \$130.5 million, to be covered by a General fund transfer at year end.

**General & Education Funds, excluding State Property Tax
FY 13 vs. FY 12 Comparative Analysis**

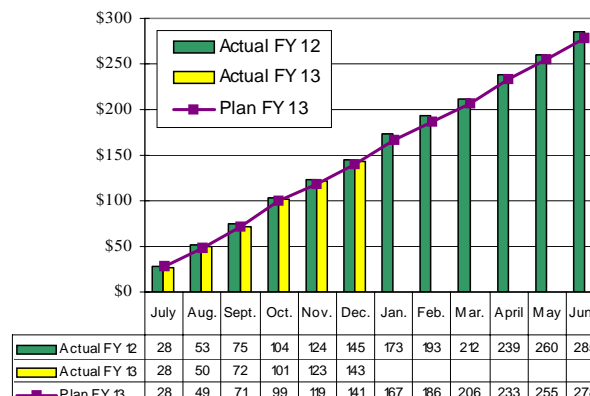


All funds reported on a cash basis, dollars in millions.

Highway Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 13 Actuals	FY 13 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 63.4	\$ 63.8	\$ (0.4)
Miscellaneous	24.5	22.7	1.8
Motor Vehicle Fees			
MV Registrations	37.4	36.7	0.7
MV Operators	6.2	5.9	0.3
Inspection Station Fees	2.0	2.0	-
MV Miscellaneous Fees	5.3	5.8	(0.5)
Certificate of Title	3.8	3.7	0.1
Total Fees	54.7	54.1	0.6
Total	\$ 142.6	\$ 140.6	\$ 2.0

Monthly Comparison to YTD 12 Highway

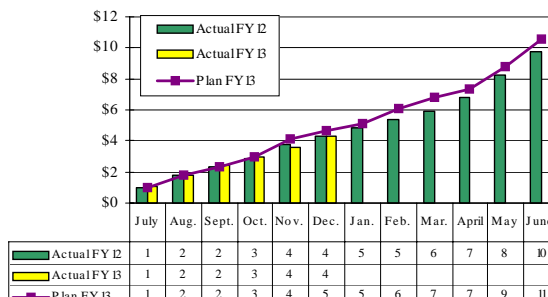


According to Road Toll Operations, actual fuel consumption is down approximately 0.6% over the same period last year, and is tracking slightly below estimates due to economic conditions and more fuel efficient vehicles. YTD Highway Fund revenues are 1% above plan and according to the Department of Transportation, the **Miscellaneous** category benefited from higher than anticipated receipts of cost reimbursement (revenue) for Federal projects. According to the Department of Safety, the number of motor vehicle registrations are trending 2% higher than what was forecast this fiscal year.

Fish & Game Fund

Comparison to Plan			
Revenue Category	year-to-date		
	FY 13 Actuals	FY 13 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 3.4	\$ 3.8	\$ (0.4)
Fines and Penalties	0.1	0.1	-
Miscellaneous Sales	0.4	0.4	-
Federal Recoveries Indirect Costs	0.4	0.4	-
Total	\$ 4.3	\$ 4.7	\$ (0.4)

Monthly Comparison to YTD 12 Fish & Game



The year to date revenues are below plan due to the lower number of licenses being sold.

All funds reported on a cash basis, dollars in millions.

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Securities Revenue for the month came in \$10.4 million greater than plan due to the early receipt of revenue which was projected for January collection.

Transfers from Lottery for the month were \$1.2 million above plan bringing year to date transfers to \$1.7 million above plan and \$6.1 million above prior year. According to the Lottery Commission, the benefit of sizeable Powerball jackpots and sales of other products are the major contributing factors for the improvement in revenue.

Utility Property tax was lower than plan which is believed to be a timing difference.

Medicaid Enhancement Tax revenue was above plan by \$14.0 million for the month due to delayed payments received from hospital taxpayers. YTD receipts, which include approximately \$2.9 million related to prior tax years, are below plan by \$34.0 million.

Sales of Cigarette Stamps

Total sold June through December for each of last six years *

(number of stamps, in thousands)

Prepared from data provided by DRA

Year	Sales of Stamps	Volume Change	Percent Change
2013	71,414	(4,781)	-6.3%
2012	76,195	(2,162)	-2.8%
2011	78,358	(2,513)	-3.1%
2010	80,870	(15,378)	-16.0%
2009	96,248	505	0.5%
2008	95,743		

*Analysis period intended to smooth the effects of July 1 tax adjustments

Stamp counts include all days through the end of the month. Cash collections can be delayed one day.

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